

D.B. FITZPATRICK & Co., INC. - IDAHO COMMERCIAL MORTGAGE PORTFOLIO
DOMESTIC FIXED: LEHMAN MORTGAGE BENCHMARK

FOR THE MONTH OF: **SEPTEMBER** **2008**

MANAGER PERFORMANCE CALCULATIONS

** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Idaho Commercial Mortgages	0.83%	2.85%	12.11%	8.05%	5.82%
Lehman Mortgage	0.75%	1.87%	7.01%	5.52%	4.84%

PORTFOLIO SUMMARY

Market Value \$ 352,133,625

Delinquencies/REOs

		<u>\$ Amt</u>	<u>% of Portfolio</u>
Originations/Payoffs	30 days	\$ -	0.00%
	60 days	\$ -	0.00%
	90 days	\$ -	0.00%
	120+ days	\$ -	0.00%
	REOs	\$ -	0.00%
Month:	\$ 2,535,000		
Year to Date:	\$ 34,937,108		
Payoffs:	\$ 689,738		

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

During the month of September, the PERSI Commercial Mortgage Portfolio outperformed the Lehman Mortgage Index by 8 basis points and outperformed the Lehman Aggregate Index by 217 basis points. Yields on 1-year through 7-year US Treasury securities fell during the month which contributed to a positive return.

For the quarter, the PERSI Commercial Mortgage Portfolio has returned 2.85%, versus the Lehman Mortgage Index return of 1.87% and the Lehman Aggregate Index return of -0.48%. The outperformance of the PERSI Commercial Mortgage Portfolio was due to the pricing off US Treasuries coupled with the fact that US Treasuries themselves dramatically outperformed credit risk bonds.

We are watching credit markets and conditions with great interest in order to maintain high credit quality and low risk in new PERSI commercial mortgage originations.

MANAGER STYLE SUMMARY

The Idaho Commercial Mortgage portfolio is managed by DBF and consists of directly owned Idaho commercial mortgages. DBF oversees the origination process, the monitoring of the portfolio, and services 50% of the portfolio.

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